



State Senator

Neal J. Kedzie

11th Senate District

2011 Senate Bill 302

Testimony of Senator Neal Kedzie

Senate Committee on Public Health, Human Services, and Revenue **PUBLIC HEARING – JANUARY 19, 2012**

Thank you Madam Chair and Committee members, thank you for your consideration of Senate Bill 302, relating to the personal income tax exemption for senior citizens.

2011 Senate Bill 302 is a re-introduction of 2009 Senate Bill 64. Together with Representatives Nass and August, I have re-introduced this legislation for the senior citizens of Wisconsin.

This bill would increase the individual income tax personal exemption for persons age 70 and older.

Under current state law, each taxpayer regardless of age may claim a \$700 personal income tax exemption. In addition, persons age 65 years and older may claim an exemption of \$250.

Senate Bill 302 would raise the senior citizen income tax exemption from \$250 to \$300 for persons between the ages of 70 and 75, and from \$250 to \$350 for persons age 75 years and older.

As our senior citizens struggle to pay for property taxes, healthcare costs, and other rising expenses, Senate Bill 302 seeks to modernize the state income tax code by taking into account the demographic and economic realities of the 21st century: People are living longer, retirement savings decline the longer one is retired, and re-entering into the workforce to make ends meet is not a realistic option for most people over 70.

As indicated in the report by the Wisconsin Legislative Fiscal Bureau, *Individual Income Tax Provisions in the States*, 14 states provide state income tax exemptions specifically for senior citizens that are considerably higher than the exemption in Wisconsin. This is in addition to the seven states that do not impose a state income tax, for a total of 21 states that treat senior citizens more kindly than Wisconsin.

Given the benefits of this legislation for senior citizens, and the very modest fiscal estimate, we respectfully ask members of the Committee to support Senate Bill 302.

Thank you for your time and serious consideration. I would be happy to answer any questions you may have.